

Update on Recent WECC Audit

Seattle City Light
August 4, 2010

Compliance Audit Background

- Spot audit conducted by Western Electricity Coordinating Council (WECC) during the week of March 29, 2010
- These CIP Standards (CIP 002 – 009) went into effect on July 1, 2008
- 13 Critical Infrastructure Protection Program (CIP) Requirements were audited
- City Light did very well in the audit and was cited for non-compliance on just 3 minor requirements

Summary of Citations

- CIP 003-1, Requirement 1:

Relates to a documented cyber security policy that addresses all 43 CIP requirements and is annually reviewed and approved by the designated Senior Manager per CIP-003-1 Requirement 2.

Summary of Citations

- CIP 003-1, Requirement 2:

Relates to the designation of a Sr. Manager as the person responsible for the CIP oversight and having a policy in place which is signed by the Sr. Manager.

Summary of Citations

- CIP 007-1, Requirement 1:

Relates to the testing of new cyber assets and significant changes to existing cyber assets.

Settlement Summary

- Upon receipt of Notice of Alleged Violations, City Light requested a hearing.
- Original penalties identified by WECC totaled \$39,000.
- Following a hearing SCL successfully negotiated penalties to \$22,000.
- A significant mitigating factor identified by WECC is the quality of SCL's Internal Compliance Policy
- Waiting on final concurrence from the FERC before any payment is made.